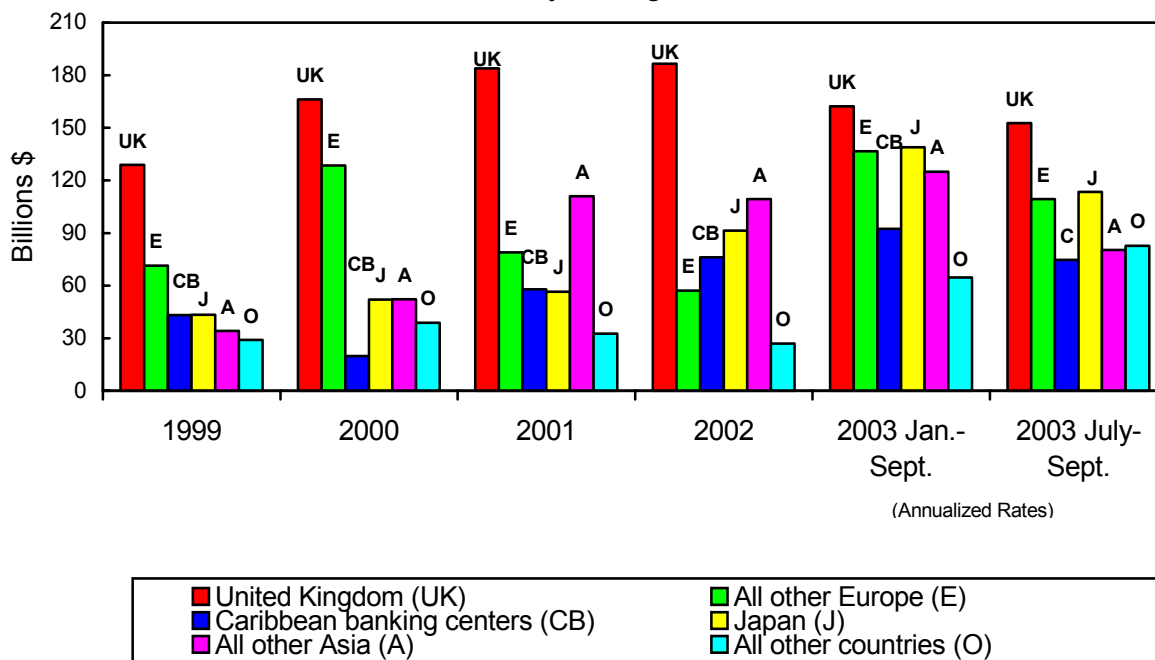


Chart CM-C -- Net Purchases of Long-Term Domestic Securities by Foreigners, Selected Countries



[In millions of dollars. Source: Office of International Financial Analysis]

Country	2000	2001	2002	2003 Jan. - Sept.	2003 July - Sept.
United Kingdom.....	166,290	183,986	186,691	121,799	38,154
All other Europe.....	128,577	78,921	57,064	102,558	27,356
Caribbean banking ctrs <sup>1</sup> \2...	19,883	57,817	76,137	69,274	18,678
Japan.....	52,006	56,589	91,412	104,134	28,365
All other Asia.....	52,151	110,995	109,314	93,703	20,087
Subtotal.....	418,907	488,308	520,618	491,468	132,640
All other countries.....	38,921	32,541	26,926	48,474	20,674
Grand total.....	457,828	520,849	547,544	539,942	153,314

<sup>1</sup> Includes Bahamas, Bermuda, British West Indies, Cayman Islands, Netherlands Antilles, and Panama.

<sup>2</sup> Beginning January 2001, Cayman Islands replaced British West Indies in reporting format.

The data on this page represent foreign investors' purchases and sales of long-term U.S. securities (that is, U.S. Treasury and Government agency bonds and notes, and U.S. corporate bonds and stocks) as reported to the Treasury International Capital (TIC) reporting system. Foreign investors also acquire U.S. equities through mergers that involve stock swaps. Net foreign acquisitions of U.S. equities through stock swaps amounted to \$21 billion in 2000, \$7 billion in both 2001 and 2002, and zero in the first three quarters of 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.)

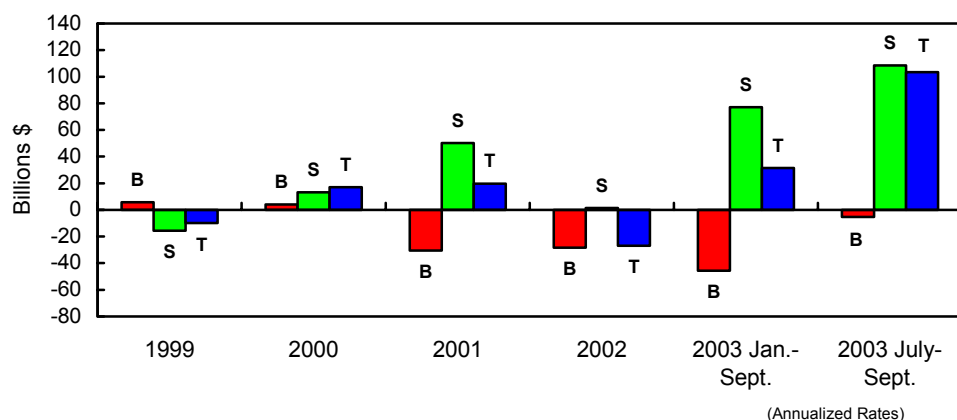
These stock swaps are not reported under the TIC reporting system, but stock swaps data are now available on the TIC web site. In addition, the TIC website now includes estimates of principal payments on asset-backed U.S.

Government agency and U.S. corporate bonds. These principal repayments on asset-backed securities (ABS) are the equivalent of sales by foreigners of these securities but are not captured by the TIC reporting system. In the first three quarters of 2003, ABS principal repayments amounted to an estimated \$76 billion.

The data present aggregate net purchases for 2000 through the first three quarters of 2003. The figures show that foreigners' annual net purchases (gross purchases minus gross sales) of U.S. securities have maintained an extremely high level since 2000.

Annual net foreign purchases of U.S. securities first surpassed \$100 billion in 1993. In 2002, net acquisitions (including stock swaps) of U.S. securities totaled a record \$554 billion. In the first three quarters of 2003, net foreign acquisitions of U.S. securities have accelerated to \$540 billion (\$465 billion when adjusted for ABS principal repayments), or over \$700 billion on an annual basis (over \$624 billion adjusted for ABS principal repayments).

Chart CM-D -- Net Purchases of Long-Term Foreign Securities  
by U.S. Investors\*



■ Foreign bonds (B) ■ Foreign stocks (S) ■ Total foreign securities (T)

Type	[In millions of dollars. Source: Office of International Financial Analysis]					
	1999	2000	2001	2002	2003	2003
					Jan. - Sept.	July - Sept.
Foreign Bonds.....	5,676	4,054	-30,502	-28,446	-34,207	-1,310
Foreign Stocks.....	-15,640	13,088	50,113	1,512	57,852	27,164
Total.....	-9,964	17,142	19,611	-26,934	23,645	25,854

\* Net purchases by U.S. investors equal net sales by foreigners, or gross sales minus gross purchases of securities.

The data on this page represent U.S. investors' purchases and sales of long-term foreign securities as reported to the Treasury International Capital (TIC) reporting system. However, in the past several years, U.S. investors also have acquired a substantial amount of foreign stocks, mostly European, through mergers that involve stock swaps. Net acquisitions through stock swaps amounted to \$80 billion in 2000, \$45 billion in 2001, only \$3 billion in 2002, and \$15 billion in the first three quarters of 2003. (Stock swaps data for the most recent quarter are Federal Reserve Board/Treasury estimates and are subject to substantial revisions.) These stock swaps are not reported under the TIC reporting system, but are now available on the TIC web site.

Including stock swaps, annual U.S. net purchases of long-term foreign securities averaged about \$100 billion from the mid-1990s through 2000, without much variation from year to year. In 2001, U.S. investors sold \$31 billion in foreign bonds, but U.S. purchases of foreign stocks held up and U.S. acquisitions of foreign securities (including stock swaps) fell to only \$65 billion. In 2002, U.S. investors again sold foreign bonds (\$28 billion), but U.S. purchases of foreign stocks (including stock swaps) fell sharply and on net U.S. investors sold \$24 billion in foreign securities. In 2003, strong U.S. demand for foreign equities has offset continued net sales of foreign bonds; on net (including stock swaps), U.S. investors acquired \$38 billion in foreign securities in the first three quarters of the year.